Vanuatu: Interisland Shipping Support Project (Second Additional Financing)

Project Name: Interisland Shipping Support Project (Second Additional Financing)
Country/Economy: Vanuatu
Project Status: Proposed
Project Type/Modality of Assistance: Grant
Source of Funding/Amount:
- Loan: Interisland Shipping Support Project (Second Additional Financing) - US$ 5.00 million
- Concessional ordinary capital resources lending - US$ 55.00 million

Strategic Agendas: Environmentally sustainable growth
Drivers of Change: Gender Equity and Mainstreaming
Sector/Subsector: Transport / Transport policies and institutional development - Water transport (non-urban)
Gender: Effective gender mainstreaming

Description: The government has requested from ADB a second additional financing to complete the full scope of the project: (i) construction of new Port Sandwich and Simonsen wharves with support facilities; (ii) construction of passenger shelters with allied facilities at Lenakel, Litzlitz, and South Paray wharves; (iii) construction of a new ramp at Litzlitz wharf; (iv) supervision consultants to supervise the construction activities of Port Sandwich, Simonsen, and South Paray wharves; and (v) to cover cost overruns in ongoing loans. No additional scope has been added in proposed second additional financing. Previous design of wharves were completed in 2014 but due to flaws in original designs, all five wharves under the project are redesigned as per international standards which increased the cost of the overall project from $51.62 million in 2015 to $112.05 million in 2021, a 117% increase. Total increase of $60.43 million constitutes 86% in civil works whereas the remaining 14% in contingencies, project are redesigned as per international standards which increased the cost of the overall project from $51.62 million in 2015 to $112.05 million in 2021, a 117% increase. Total increase of $60.43 million constitutes 86% in civil works whereas the remaining 14% in contingencies, supervision consultants and project management.

Impact
Outcome
Outputs
Geographical Location: Nation-wide

Safeguard Categories:
- Environment: B
- Involuntary Resettlement: C
- Indigenous Peoples: C

Summary of Environmental and Social Aspects
Retroactive financing will be applied to advance the start of the consulting services for the supervision consultants. The government has been informed that all expenditures must be incurred not more than 12 months before the signing of the grant agreement and that the maximum amount of retroactive financing permitted is 20% of the grant amount under the second additional financing.

Advance contracting shall be undertaken for the following project components: (i) construction of Port Sandwich and Simonsen wharves, and construction of ramp at Litzlitz; (ii) construction of sheds at Lenakel and Litzlitz; and (iii) construction supervision consultants. All advance contracting (ii) will follow the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions; and (ii) will be subject to ADB approval.

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<tr>
<th>Responsible ADB Officer</th>
<th>Haider, Syed Hussain</th>
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<td>Responsible ADB Department</td>
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<td>Responsible ADB Division</td>
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<td>Executing Agencies</td>
<td>Ministry of Finance &amp; Economic Management</td>
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**Timetable**

- **Concept Clearance**: 16 Apr 2021
- **Fact Finding**: 19 Apr 2021 to 28 Apr 2021
- **MRM**: 14 Apr 2023
- **Approval**: -
- **Last Review Mission**: -
- **Last PDS Update**: 04 May 2021

**Project Page**: https://www.adb.org/projects/42392-015/main

**Request for Information**: http://www.adb.org/forms/request-information-form?subject=42392-015

**Date Generated**: 12 July 2023

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